



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1485/P1

TJD:sac:rs

RMR

In 2/12/13 Budget -
NOW

DOA:.....Iwata, BB0439 - Compile of BB0218, BB0403 and BB0440:
Eligibility changes to BadgerCare Plus and other Medical
Assistance program changes

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Insert analysis

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core) programs. Under current law, BC+ provides health and medical services to eligible recipients and has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Current law requires DHS to study potential changes to the MA state plan and to waivers of federal Medicaid law for certain purposes. If DHS determines that revision of existing statutes or rules would be necessary to advance any of the purposes for which the study was conducted, DHS may propose a policy that would add to or change current law regarding the MA program. Before implementing a policy that conflicts with a state statute, DHS must submit the proposed change to the Joint Committee on Finance. If the proposed change is not rejected by the

committee, DHS must submit to the federal Department of Health and Human Services (federal DHHS) the amendment or waiver request, to the extent necessary to implement its policy. If the federal government does not allow the amendment or does not grant the waiver, DHS may not implement the policy. Currently, DHS has proposed changes that, having not been rejected by the Joint Committee on Finance, have been submitted to the federal DHHS for approval. Some of these changes pertain to BC+ and BC+ Core and may have been implemented following approval by the federal government.

Beginning on January 1, 2014, under the bill, family income has the meaning given for household income under a federal regulation, which uses an income calculation based on modified adjusted gross income. The bill, beginning January 1, 2014, eliminates the distinction in current law between calculating self-employment income and other types of income and eliminates certain income calculations including those regarding child or family support deductions and deducting earnings of children. The bill requires, beginning on January 1, 2014, DHS to apply the definition of household in federal regulations and to include the pregnant woman and the number of babies she is expecting in the determination of family size for a pregnant woman. Under current law, family income is the total gross earned and unearned income received by all members of a family.

For purposes of eligibility, the bill adds requirements for calculating family income but only if the federal DHHS approves. Specifically, the bill requires DHS to count, for an individual who is not disabled, the income of all adults residing in the home for at least 60 consecutive days excluding the income of a grandparent in a household containing three generations if that grandparent applies for or receives BC+ benefits. If an individual is only included in the family income calculation, then DHS must exclude that individual from the calculation of family size. The bill also applies these family income and family size calculations to eligibility determinations for BC+ Core.

Under current law, unless DHS has a policy that conflicts with current state law eligibility requirements, the following individuals, among others, are eligible for benefits under the BC+ standard plan: a pregnant woman whose family income does not exceed 200 percent of the federal poverty line (FPL); a child meeting certain criteria whose family income does not exceed 200 percent of the FPL; a child meeting certain criteria whose family income exceeds 150 percent of the FPL but the difference between the actual family income and 150 percent of the FPL is expended on behalf of a member of the child's family or the child for certain medical or health reasons; a parent or caretaker relative of a child whose family income does not exceed 200 percent of the FPL; and an individual who qualifies for a transitional extension of MA benefits even though his or her income increases to above the FPL. Beginning in January 1, 2014, under the bill, a pregnant woman must have an income that does not exceed 133 percent of the FPL to be eligible for BC+ standard plan benefits. Also, beginning on January 1, 2014, the bill reduces the income eligibility level for the BC+ standard plan for parents and caretaker relatives from not more than 200 percent of the FPL to not more than 100 percent of the FPL before a five percent income disregard is applied.

To be eligible under current law, a parent or caretaker relative must have a child who is living in the home with the parent or caretaker relative or is temporarily absent from the home for not more than six months or the parent or caretaker relative must be complying with a permanency plan to unify a family that includes a child who has been removed from the home for more than six months. Beginning January 1, 2014, the bill changes the terminology from "child" to "dependent child" and defines, for purposes of eligibility of a parent or caretaker relative, a "dependent child" as an individual who is under the age of 18 or an individual who is age 18 and a full-time student in secondary school or an equivalent if before attaining the age of 19 the individual is reasonably expected to complete the school or training.

Under current law, certain children and pregnant women are presumptively eligible for benefits under the BC+ standard plan, meaning that they are eligible for benefits beginning the day on which a qualified entity determines, based on preliminary information, income eligibility for BC+. The bill eliminates, if the federal DHHS approves, presumptive eligibility for children. Beginning January 1, 2014, the bill also limits presumptive eligibility for pregnant women to those women whose family income, based on preliminary information, does not exceed 133 percent of the FPL.

Under current law, certain individuals are retroactively eligible for BC+ benefits for any of the three months before the month of application for BC+ if the individual met the eligibility criteria in that month. The bill eliminates retroactive eligibility for adults who are not pregnant, not disabled, and not elderly and whose income exceeds 133 percent of the FPL. If the federal DHHS approves, the bill eliminates retroactive eligibility for all individuals who are not disabled regardless of their age, pregnancy status, or income level.

Under current law, to meet the definition of unborn child and obtain benefits under BC+ the unborn child and the unborn child's mother must meet, among other requirements, all of the applicable eligibility requirements for MA except for certain eligibility requirements. Beginning in January 1, 2014, the bill creates an exception to the requirement that the family income of the mother of the unborn child exceeds 133 percent of the FPL.

Under current law, an individual whose family income exceeds 150 percent of the FPL is not eligible for BC+ if the individual has coverage provided by an employer for which the employer pays at least 80 percent of the premium or coverage under the state health plan, or if the individual has access to employer coverage or coverage under the state health plan, in any of the following times: the 12 months before applying for BC+, the month of application for BC+, or any of the three months after applying for BC+. Also, under current law, an unborn child, regardless of family income, is not eligible for BC+ if the unborn child or the unborn child's mother has individual or family health insurance coverage or if the unborn child or the unborn child's mother has access to individual or family health insurance in any of the following times: the 12 months before applying for BC+, the month of application for BC+, or any of the three months after applying for BC+. Current law specifies which individuals are eligible for BC+ regardless of having health insurance coverage or access to health insurance coverage and those individuals include pregnant women,

certain children, certain individuals in foster care, and certain individuals who have a good cause reason for not obtaining the health insurance coverage to which they have access.

The bill retains the ineligibility provisions for individuals with health insurance coverage or access to coverage. Additionally, under the bill, an adult individual who is not disabled and not pregnant and whose family income exceeds 133 percent of the FPL is ineligible for BC+ if the individual for the 12 months before application for BC+, the month of application for BC+, the three months after the last day of the month of application for BC+, or the month including the date of the annual determination of the individual's eligibility for MA has any of the following: access to individual or family health coverage provided by an employer that does not exceed 9.5 percent of the family's monthly income or access to coverage under the state employee health plan. The bill adds, if the federal DHHS approves, to the types of individuals for whom access to coverage under the types of insurance added in the bill result in ineligibility, all of the following: a child who is not disabled and whose family income is at a level determined by DHS but no lower than 133 percent of the FPL; an adult parent or adult caretaker relative whose family income is at a level determined by DHS but no lower than 100 percent of the FPL; and an adult, including a pregnant woman, who is under 26 years of age, whose income is at a level determined by DHS but no lower than 100 percent of the FPL, who is eligible to be covered under a parent's employer coverage, and who does not have one of the additional good cause reasons for not obtaining health insurance coverage. If any individual added under the bill, who would be ineligible because of health insurance coverage or access to coverage, has one of the good cause reasons for not maintaining or obtaining coverage, the individual is not ineligible for BC+. The bill also adds to those good cause reasons and adds disabled adults to the individuals who may not be considered ineligible for BC+ for having or having access to health insurance coverage. Under the bill, an individual is ineligible for BC+ if the individual has private major medical insurance with a premium that does not exceed 9.5 percent of the family's monthly income and that individual is any of the following: an adult who is not disabled and not pregnant and whose family income exceeds 133 percent of the poverty line; if the federal DHHS approves, a child, or unborn child, of an individual whose family income is at a level determined by DHS but no lower than 133 percent of the FPL and who is not disabled.; and if the federal DHHS approves, an adult parent or adult caretaker relative who is not disabled and not pregnant and whose family income is at a level determined by DHS but no lower than 100 percent of the FPL.

Under current law, an individual is ineligible for BC+ for three months if the individual satisfies one of the following: the individual has a family income exceeding 150 percent FPL and had certain health insurance coverage but no longer has the coverage; the individual is an unborn child or pregnant woman had health insurance coverage but no longer has the coverage; or the individual is a pregnant woman who is required to maintain health insurance coverage but did not. Those individuals, however, are eligible for BC+ if they have one of the specified good cause reasons for not continuing health insurance coverage.

Under current law, the following individuals, among others, are eligible for benefits under the BC+ Benchmark plan: a pregnant woman whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; a pregnant woman and everyone in her family if her family income exceeds 300 percent of the FPL but the difference between her actual family income and 300 percent of the FPL is expended for any family member's or her medical or health care; a child whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; and a parent or caretaker of a child whose income includes self-employment income but does not exceed 200 percent of the FPL after depreciation is deducted. Beginning on January 1, 2014, the bill eliminates eligibility for the BC+ Benchmark plan for all of the following individuals: pregnant women whose family income exceeds 200 percent but does not exceed 300 percent of the FPL and children under one year of age of those women; certain other pregnant women; and parents or caretaker relatives whose family income includes self-employment income and does not exceed 200 percent of the FPL under a certain calculation. The bill, beginning on January 1, 2014, specifies that an unborn child whose family income exceeds 200 percent of the FPL but does not exceed 300 percent of the FPL is eligible for BC+ Benchmark but only for prenatal care benefits. Certain individuals, under current law, may pay the full member per month cost of coverage to receive benefits under the Benchmark plan including, among others, children whose family incomes exceed 300 percent of the FPL. The bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits.

If the federal DHHS allows, under the bill, DHS may provide an alternate Benchmark plan to adult individuals who are not pregnant, whose family incomes exceed 100 percent of the FPL, and who are otherwise eligible for BC+. The alternate Benchmark plan, if DHS provides the plan, provides coverage for benefits similar to those in a commercial, major medical insurance policy. DHS may charge higher copayments for the alternate Benchmark plan than are charged for the standard plan but may not charge an individual whose family income is 150 percent of the FPL or below a copayment that exceeds five percent of the individual's family income. The department may eliminate the original Benchmark plan for the individuals eligible for the alternate Benchmark plan, if the alternate plan is offered.

The bill allows DHS to administer medical home initiatives as service delivery mechanisms to provide and coordinate care for individuals who are eligible for services under a fee-for-service model of Medical Assistance, including BC+ and BC+ Core. The bill specifies certain groups of individuals for which the department may administer a medical home initiative. DHS must provide through any medical home initiative the benefits provided to traditional Medical Assistance recipients and may provide additional services targeted to a specific population. If the federal DHHS approves, DHS must automatically enroll an eligible individual in a medical home initiative, and the individual may opt out of participation in the medical home initiative after six months.

The current law requires certain individuals to pay premiums for BC+ standard plan and the Benchmark plan including adults who are not pregnant and whose family income is greater than 150 percent of the FPL but not greater than 200

percent of the FPL; children whose family income is greater than 200 percent of the FPL; and an unborn child or pregnant woman whose family income is greater than 200 percent of the FPL. Current law also identifies specific individuals who do not pay a premium. The bill requires an adult parent or adult caretaker who is not pregnant, disabled, or American Indian and whose family income exceeds 133 percent of the FPL and, if the federal DHHS approves, a child who is not disabled and whose family income is at a level determined by DHS but at least 150 percent of the FPL, to pay a premium for BC+.

Under current law, if an individual who is required to pay a premium does not pay or requests termination of coverage under BC+, the coverage under BC+ is terminated. The former BC+ recipient is then ineligible for coverage for six months except for any month in which the former recipient's family income does not exceed 150 percent of the FPL. The bill changes the ineligibility period for an adult to 12 months except for any month in which the former recipient's family income does not exceed 133 percent of the FPL. For a child, the bill retains the six month ineligibility period except for any month in which the child's family income does not exceed 150 percent of the FPL, however, if the federal DHHS approves, the ineligibility period becomes 12 months.

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to eligible individuals. Adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+, are eligible for benefits under BC+ Core, unless DHS has a policy that conflicts with current state law eligibility requirements. The bill requires certain childless adults with a family income exceeding 133 percent of the FPL to pay a premium for BC+ Core benefits as determined by DHS but no less than 3 percent of family income and no greater than 9.5 percent of family income. Beginning January 1, 2014, the bill changes the income eligibility for BC+ Core allowing only those individuals whose family incomes do not exceed 100 percent of the FPL before a five percent income disregard is applied. Under the bill, DHS must apply to determinations of income for eligibility for BC+ Core the same definition of family income and regulations defining a household as apply to income determinations for eligibility to BC+.

DHS also currently administers the BadgerCare Plus Basic (BC+ Basic) plan, which is not an MA program but is funded by premiums paid by plan participants. To be eligible for the BC+ Basic plan, an individual must be on the waiting list for BC+ Core. BC+ Basic provides health care benefits that do not exceed those benefits provided by BC+ Core. Under current law, BC+ Basic terminates on January 1, 2014. The bill eliminates the BC+ Basic plan.

Certain individuals, under current law, are eligible for transitional Medical Assistance because of becoming ineligible for another public assistance program. The bill eliminates transitional Medical Assistance benefits, if the federal DHHS approves.

The bill allows DHS to enroll a child who is receiving services through the early intervention program in a special plan, if the federal DHHS approves. The department may not require a child to enroll in this special plan and may not charge

a copayment for services under the special plan. The special plan, if the federal DHHS approves, offers services provided by early intervention teachers, home trainers, parent-to-parent mentors, and developmental specialists to children.

Under current law, DHS is required to develop a purchasing pool, known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. Current law allows DHS to contract with an entity to operate the purchasing pool, which is not an MA program. The bill eliminates the purchasing pool, Badger Rx Gold.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (a) of the statutes is amended to read:

2 20.435 (4) (a) *General program operations.* The amounts in the schedule for
3 general program operations, including health care financing regulation,
4 administration, field services and medical assistance eligibility determinations
5 under s. 49.45 (2) (a) 3., and administration of the pharmacy benefits purchasing pool
6 under s. 146.45.

7 **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:

8 20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care*
9 *administration; contract costs, insurer reports, and resource centers.* Biennially, the
10 amounts in the schedule to provide a portion of the state share of administrative
11 contract costs for the Medical Assistance program under subch. IV of ch. 49 and the
12 Badger Care health care program under s. 49.665 and to provide the state share of
13 administrative costs for the food stamp program under s. 49.79, other than payments
14 under s. 49.78 (8), to develop and implement a registry of recipient immunizations,
15 to reimburse 3rd parties for their costs under s. 49.475, for costs associated with
16 outreach activities, for state administration of state supplemental grants to
17 supplemental security income recipients under s. 49.77, to administer the pharmacy

1 ~~benefits purchasing pool under s. 146.45~~, and for services of resource centers under
2 s. 46.283. No state positions may be funded in the department of health services from
3 this appropriation, except positions for the performance of duties under a contract
4 in effect before January 1, 1987, related to the administration of the Medical
5 Assistance program between the subunit of the department primarily responsible for
6 administering the Medical Assistance program and another subunit of the
7 department. Total administrative funding authorized for the program under s.
8 49.665 may not exceed 10% of the amounts budgeted under pars. (p) and (x).

9 **SECTION 3.** 20.435 (4) (hm) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 4.** 20.435 (4) (jw) of the statutes is amended to read:

11 20.435 (4) (jw) *BadgerCare Plus, and hospital assessment, ~~and pharmacy~~*
12 *~~benefits purchasing pool administrative costs.~~* All moneys received from payment of
13 enrollment fees under the program under s. 49.45 (23), all moneys transferred under
14 s. 50.38 (9), all moneys transferred from the appropriation account under par. (jz),
15 and 10 percent of all moneys received from penalty assessments under s. 49.471 (9)
16 (c), for administration of the program under s. 49.45 (23), to provide a portion of the
17 state share of administrative costs for the BadgerCare Plus Medical Assistance
18 program under s. 49.471, and for administration of the hospital assessment under
19 s. 50.38, ~~and to administer a contract with an entity to operate the pharmacy benefits~~
20 ~~purchasing pool under s. 146.45.~~

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

21 **SECTION 5.** 20.435 (4) (jz) of the statutes is amended to read:

1 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing, and employer*
2 *penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys
3 received in cost sharing from medical assistance recipients, including payments
4 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
5 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.
6 49.471 (9) (c), ~~all moneys received from persons who join the pharmacy benefits~~
7 ~~purchasing pool under s. 146.45, and all moneys received as rebates from drug~~
8 ~~manufacturers for prescription drugs purchased under the pharmacy benefits~~
9 ~~purchasing pool under s. 146.45, to be used for the Badger Care health care program~~
10 ~~under s. 49.665, for the Medical Assistance program under subch. IV of ch. 49, to pay~~
11 ~~an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to~~
12 ~~transfer the amount determined under s. 146.45 (4) to the appropriation account~~
13 ~~under par. (jw), and to transfer any amount credited to this appropriation account~~
14 in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

15 **SECTION 6.** 49.45 (23) (a) of the statutes is amended to read:

16 49.45 (23) (a) The department shall request a waiver from the secretary of the
17 federal department of health and human services to permit the department to
18 conduct a demonstration project to provide health care coverage for basic primary
19 and preventive care to adults who are under the age of 65, who have family incomes
20 not to exceed ~~200~~ 100 percent of the poverty line before application of the 5 percent
21 income disregard under 42 CFR 435.603 (d), and who are not otherwise eligible for
22 medical assistance under this subchapter, the Badger Care health care program
23 under s. 49.665, or Medicare under 42 USC 1395 et seq. If the department creates

1 a policy under sub. (2m) (c) 10., this paragraph does not apply to the extent that it
2 conflicts with the policy.

3 **SECTION 7.** 49.45 (23) (a) of the statutes, as affected by 2011 Wisconsin Act 32
4 and 2013 Wisconsin Act (this act), is repealed and recreated to read:

5 49.45 (23) (a) The department shall request a waiver from the secretary of the
6 federal department of health and human services to permit the department to
7 conduct a demonstration project to provide health care coverage for basic primary
8 and preventive care to adults who are under the age of 65, who have family incomes
9 not to exceed 100 percent of the poverty line before application of the 5 percent
10 income disregard under 42 CFR 435.603 (d), and who are not otherwise eligible for
11 medical assistance under this subchapter, the Badger Care health care program
12 under s. 49.665, or Medicare under 42 USC 1395 et seq.

13 **SECTION 8.** 49.45 (23) (b) of the statutes is amended to read:

14 49.45 (23) (b) If the waiver is granted and in effect, the department may
15 promulgate rules defining the health care benefit plan, including more specific
16 eligibility requirements and cost-sharing requirements. Unless otherwise provided
17 by the department by a policy created under sub. (2m) (c), cost sharing may include
18 an annual enrollment fee, which may not exceed \$75 per year. Notwithstanding s.
19 227.24 (3), the plan details under this subsection may be promulgated as an
20 emergency rule under s. 227.24 without a finding of emergency. If the waiver is
21 granted and in effect, the demonstration project under this subsection shall begin on
22 ~~January 1, 2009, or on the effective date of the waiver, whichever is later.~~

23 **SECTION 9.** 49.45 (23) (b) of the statutes, as affected by 2011 Wisconsin Act 32
24 and 2013 Wisconsin Act (this act), is repealed and recreated to read:

1 49.45 (23) (b) If the waiver is granted and in effect, the department may
2 promulgate rules defining the health care benefit plan, including more specific
3 eligibility requirements and cost-sharing requirements. Cost sharing may include
4 an annual enrollment fee, which may not exceed \$75 per year. Notwithstanding s.
5 227.24 (3), the plan details under this subsection may be promulgated as an
6 emergency rule under s. 227.24 without a finding of emergency. If the waiver is
7 granted and in effect, the demonstration project under this subsection shall begin on
8 the effective date of the waiver.

9 **SECTION 10.** 49.45 (23) (c) of the statutes is created to read:

10 49.45 (23) (c) In addition to cost-sharing requirements established under par.
11 (b), a childless adult who is eligible to receive benefits under this section; who is not
12 disabled, pregnant, or American Indian, as Indian is defined in 42 CFR part 447,
13 subpart A; and whose family income exceeds 133 percent of the poverty line shall pay
14 a premium for coverage under the program under this subsection in an amount
15 determined by the department that is based on a formula in which costs decrease for
16 those with lower family incomes and that is no less than 3 percent of family income
17 but no greater than 9.5 percent of family income.

18 **SECTION 11.** 49.45 (23) (d) of the statutes is created to read:

19 49.45 (23) (d) In determining income for purposes of eligibility under this
20 subsection, the department shall apply s. 49.471 (7) (d) to the individual to the extent
21 the federal department of health and human services approves, if approval is
22 required.

23 **SECTION 12.** 49.45 (23) (e) of the statutes is created to read:

1 49.45 (23) (e) The department shall apply the definition of family income under
2 s. 49.471 (1) (f) and the regulations defining household under 42 CFR 435.603 (f) to
3 determinations of income for purposes of eligibility under this subsection.

4 **SECTION 13.** 49.45 (23) (f) of the statutes is created to read:

5 49.45 (23) (f) The department may provide services to individuals who are
6 eligible under this subsection through a medical home initiative under sub. (24j).

7 **SECTION 14.** 49.45 (24j) of the statutes is created to read:

8 49.45 (24j) **MEDICAL HOME PILOT PROJECTS.** (a) The department may administer
9 the medical home initiative as a service delivery mechanism to provide and
10 coordinate care for individuals who are eligible for a Medical Assistance program
11 under this subchapter that provides services under a fee-for-service model. The
12 department may administer a medical home initiative to serve individuals who are
13 members of any of the following populations:

14 1. Children who are in out-of-home care or are receiving adoption assistance
15 under 42 USC 670 – 679c.

16 2. Pregnant women.

17 3. Individuals who are exiting mental health facilities or correctional facilities.

18 4. Individuals with a diagnosis of serious mental illness or substance abuse
19 disorder.

20 5. Adults with two or more chronic medical conditions.

21 6. Other groups of individuals with conditions that the department determines
22 would benefit from services through a medical home.

23 (b) The department shall provide to individuals through any medical home
24 initiative administered under this subsection the benefits described under s. 49.46
25 (2) (a) and (b). The department may provide to individuals through any medical home

1 initiative administered under this subsection benefits in addition to the standard
2 plan benefits that are targeted to the population receiving services through the
3 medical home.

4 (c) The department may elect to administer any medical home initiative under
5 this subsection in a limited geographical area.

6 (d) The department may make an all-inclusive payment to the provider
7 offering services through a medical home.

8 (e) If the federal department of health and human services approves the
9 department's request to administer a medical home initiative, the department shall
10 automatically enroll an individual who is eligible for a medical home initiative under
11 this subsection in the medical home initiative. At any time after the first 6 months
12 of enrollment in the medical home initiative, the individual who is enrolled in the
13 medical home initiative may opt out of participation in the medical home initiative.

14 **SECTION 15.** 49.45 (30g) (a) 1. of the statutes is amended to read:

15 49.45 (30g) (a) 1. An approved amendment to the state medical assistance plan
16 ~~submitted under 42 USC 1396n (i)~~ permits reimbursement for the services under s.
17 49.46 (2) (b) 6. Lo. in the manner provided under this subsection.

18 **SECTION 16.** 49.45 (30g) (a) 3. of the statutes is amended to read:

19 49.45 (30g) (a) 3. The individual, the community recovery services, and the
20 community recovery services provider meet any condition set forth in the approved
21 amendment to the medical assistance plan ~~submitted under 42 USC 1396n (i).~~

22 **SECTION 17.** 49.46 (1) (a) 15. of the statutes is amended to read:

23 49.46 (1) (a) 15. Any individual who is infected with tuberculosis and meets the
24 income and resource eligibility requirements for the federal Supplemental Security

25 Income program under 42 USC 1381 to 1383d eligibility requirements as determined

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6

For purposes of this subdivision, "income" has the meaning given for "family income" in s. 49.471(1)(f).

under the same method as income eligibility is determined for the program under s.

49.471

is

SECTION 18. 49.46 (1) (am) 1. a. and b. of the statutes are amended to read:

49.46 (1) (am) 1. a. A pregnant woman whose family income, before any income is disregarded under this paragraph, does not exceed, in state fiscal year 1994-95, 155% of the poverty line for a family the size of the woman's family; and, in each state fiscal year after the 1994-95 state fiscal year, 185% 133 percent of the poverty line for a family the size of the woman's family.

b. A child who is under 6 years of age and whose family income, before any income is disregarded under this paragraph, does not exceed, in state fiscal year 1994-95, 155% of the poverty line for a family the size of the child's family; and, in each state fiscal year after the 1994-95 state fiscal year, 185% 133 percent of the poverty line for a family the size of the child's family.

SECTION 19. 49.46 (1) (c) (intro.) of the statutes is amended to read:

49.46 (1) (c) (intro.) Except as provided under par. (co) or (cr), a family that becomes ineligible for aid to families with dependent children under s. 49.19 because of increased income from employment or increased hours of employment or because of the expiration of the time during which the disregards under s. 49.19 (5) (a) 4. or 4m. or (am) apply shall receive medical assistance for:

SECTION 20. 49.46 (1) (cg) of the statutes is amended to read:

49.46 (1) (cg) ~~Medical~~ Except as provided under par. (cr), medical assistance shall be provided to a dependent child, a relative with whom the child is living or the spouse of the relative, if the spouse meets the requirements of s. 49.19 (1) (c) 2. a. or b., for 4 calendar months beginning with the month in which the child, relative or spouse is ineligible for aid to families with dependent children because of the

1 collection or increased collection of maintenance or support, if the child, relative or
2 spouse received aid to families with dependent children in 3 or more of the 6 months
3 immediately preceding the month in which that ineligibility begins.

4 **SECTION 21.** 49.46 (1) (co) 1. of the statutes is amended to read:

5 49.46 (1) (co) 1. Except as provided under subd. 2. or par. (cr), medical
6 assistance shall be provided to a family for 12 consecutive calendar months following
7 the month in which the family becomes ineligible for aid to families with dependent
8 children because of increased income from employment, ~~because the family no longer~~
9 ~~receives the earned income disregard under s. 49.19 (5) (a) 4. or 4m. or (am) due to~~
10 ~~the expiration of the time limit during which the disregards are applied or because~~
11 ~~of the application of the monthly employment time eligibility limitation under 45~~
12 ~~CFR 233.100 (a) (1) (i).~~

13 **SECTION 22.** 49.46 (1) (co) 2. of the statutes is amended to read:

14 49.46 (1) (co) 2. If a waiver under subd. 3. is granted and except as provided
15 in par. (cr), the department may select individuals to receive medical assistance
16 benefits as provided under par. (c), rather than under subd. 1., as a control group for
17 part or all of the period during which the waiver is in effect.

18 **SECTION 23.** 49.46 (1) (cr) of the statutes is created to read:

19 49.46 (1) (cr) To the extent approved by the federal department of health and
20 human services, an individual or family described in par. (c), (cg), or (co) is not eligible
21 for Medical Assistance if the federal department of health and human services
22 approves a request from the department to deny all or some transitional Medical
23 Assistance benefits to that individual or family, if approval is required.

24 **SECTION 24.** 49.46 (2) (b) 19. of the statutes is created to read:

1 49.46 (2) (b) 19. Subject to par. (br), services provided by early intervention
2 teachers, home trainers, parent-to-parent mentors, and developmental specialists
3 to children in the benchmark plan under par. (br).

4 SECTION 25. 49.46 (2) (b) 20. of the statutes is created to read:

5 49.46 (2) (b) 20. Subject to s. 49.45 (24j), any additional services, as determined
6 by the department, that are targeted to a population enrolled in a medical home
7 initiative under s. 49.45 (24j).

8 SECTION 26. 49.46 (2) (bc) of the statutes is created to read:

9 49.46 (2) (bc) Subject to s. 49.45 (24j), the department may provide any of the
10 services described in par. (a) or (b) through a medical home initiative under s. 49.45
11 (24j).

12 SECTION 27. 49.46 (2) (br) of the statutes is created to read:

13 49.46 (2) (br) If the federal department of health and human services approves
14 the department's request to offer a benchmark plan under this paragraph, the
15 department may enroll any child who is receiving services through the early
16 intervention program under s. 51.44 in a benchmark plan under this paragraph. The
17 department may not require a child who is receiving services through the early
18 intervention program under s. 51.44 to enroll in a benchmark plan offered under this
19 paragraph. The department may not charge a copayment to a child who is enrolled
20 in the benchmark plan under this paragraph for services described in par. (b) 19.

fix
component

21 SECTION 28. 49.47 (4) (a) 1. of the statutes is renumbered 49.47 (4) (af) and
22 amended to read: *Plain-remove strike*

23 49.47 (4) (af) Under Any individual who is under 21 years of age and resides
24 in an intermediate care facility, skilled nursing facility, or inpatient psychiatric
25 hospital and who meets the income requirements as determined under the same

(a)1.

φ

1 method as income eligibility is determined for the program under s. 49.471 is eligible
2 for Medical Assistance under this section.

3 SECTION 29. 49.47 (4) (am) 1. and 2. of the statutes ^{is} are amended to read:

4 49.47 (4) (am) 1. A pregnant woman whose family income does not exceed 155%
5 of the poverty line for a family the size of the woman's family, except that if a waiver
6 under par. (j) or a change in the approved state plan under s. 49.46 (1) (am) 2. is in
7 effect, the income limit is ~~185%~~ 133 percent of the poverty line for a family the size
8 of the woman's family in each state fiscal year after the 1994-95 state fiscal year.

9 2. A child who is under 6 years of age and whose family income does not exceed
10 155% of the poverty line for a family the size of the child's family, except that if a
11 waiver under par. (j) or a change in the approved state plan under s. 49.46 (1) (am)
12 2. is in effect, the income limit is ~~185%~~ 133 percent of the poverty line for a family
13 the size of the child's family in each state fiscal year after the 1994-95 state fiscal
14 year.

15 SECTION 30. 49.47 (4) (c) 1. of the statutes is amended to read:

16 49.47 (4) (c) 1. Except as provided in par. (am) ~~and as limited by subd. 3.~~,
17 eligibility exists if income does not exceed 133 1/3% of the maximum aid to families
18 with dependent children payment under s. 49.19 (11) for the applicant's family size
19 or the combined benefit amount available under supplemental security income
20 under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77 whichever
21 is ~~higher~~ lower. In this subdivision "income" includes earned or unearned income
22 that would be included in determining eligibility for the individual or family under
23 s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385.
24 "Income" does not include earned or unearned income which would be excluded in

The department shall apply the definition of family income in s. 49.471(1)(f) to make determinations of income under this subdivision.

1 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
2 aged, blind or disabled individual under 42 USC 1381 to 1385.

3 **SECTION 31.** 49.47 (4) (c) 3. of the statutes is repealed.

4 **SECTION 32.** 49.47 (4) (j) of the statutes is amended to read:

5 ~~49.47 (4) (j) If the change in the approved state plan under s. 49.46 (1) (am) 2.
6 is denied, the department shall request a waiver from the secretary of the federal
7 department of health and human services to allow the use of federal matching funds
8 to provide medical assistance coverage under par. (am) 1. and 2. to individuals whose
9 family incomes do not exceed ~~185%~~ 133 percent of the poverty line in each state fiscal
10 year after the 1994-95 state fiscal year.~~

~~****NOTE: Section 49.47 (4) (j) seems related to ss. 49.46 (1) (am) and 49.47 (4) (am)
so I thought it might also need to be amended in a similar manner to those provisions.
Please let me know if this is incorrect.~~

11 **SECTION 33.** 49.471 (1) (cm) of the statutes is created to read:

12 49.471 (1) (cm) "Disabled" means, when referring to an adult, meeting the
13 disability standard for eligibility for federal supplemental security income under 42
14 USC 1382c (a) (3).

15 **SECTION 34.** 49.471 (1) (f) of the statutes is amended to read:

16 49.471 (1) (f) "Family income" ~~means the total gross earned and unearned~~
17 income received by all members of a family has the meaning given for "household
18 income" under 42 CFR 435.603 (d).

19 **SECTION 35.** 49.471 (1) (k) 5. d. of the statutes is created to read:

20 49.471 (1) (k) 5. d. The mother's family income exceeds 133 percent of the
21 poverty line.

22 **SECTION 36.** 49.471 (4) (a) (intro.) of the statutes is amended to read:

1 49.471 (4) (a) (intro.) Except as otherwise provided in this section, all of the
2 following individuals are eligible for the benefits described in s. 49.46 (2) (a) and (b),
3 subject to sub. (6) (k) and s. 49.45 (24j):

4 **SECTION 37.** 49.471 (4) (a) 1. of the statutes is amended to read:

5 49.471 (4) (a) 1. A pregnant woman whose family income does not exceed 200
6 133 percent of the poverty line.

7 **SECTION 38.** 49.471 (4) (a) 4. a. of the statutes is amended to read:

8 49.471 (4) (a) 4. a. The individual is a parent or caretaker relative of a
9 dependent child who is living in the home with the parent or caretaker relative or
10 who is temporarily absent from the home for not more than 6 months or, if the
11 dependent child has been removed from the home for more than 6 months, the parent
12 or caretaker relative is working toward unifying the family by complying with a
13 permanency plan under s. 48.38 or 938.38. For purposes of this subdivision, a
14 “dependent child” means an individual who is under the age of 18 or an individual
15 who is age 18 and a full-time student in secondary school or equivalent vocational
16 or technical training if before attaining the age of 19 the individual is reasonably
17 expected to complete the school or training.

18 **SECTION 39.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

19 49.471 (4) (a) 4. b. ~~Except as provided in subd. 4. e., the~~ The individual’s family
20 income does not exceed 200 100 percent of the poverty line ~~and does not include~~
21 ~~self-employment income~~ before application of the 5 percent income disregard under
22 42 CFR 435.603 (d).

23 **SECTION 40.** 49.471 (4) (a) 4. c. of the statutes is repealed.

24 **SECTION 41.** 49.471 (4) (a) 5. of the statutes is amended to read:

1 49.471 (4) (a) 5. An individual who, regardless of family income, was born on
2 or after January 1, ~~1990~~ 1988, and who, on his or her 18th birthday, was in a foster
3 care placement under the responsibility of ~~-a- this state, or at the option of the~~
4 department, under the responsibility of another state, and enrolled in Medical
5 Assistance under this subchapter or a Medicaid program, as determined by the
6 department. The coverage for an individual under this subdivision ends on the last
7 day of the month in which the individual becomes ~~21~~ 26 years of age, unless he or she
8 otherwise loses eligibility sooner.

9 **SECTION 42.** 49.471 (4) (a) 7. of the statutes is amended to read:

10 49.471 (4) (a) 7. Individuals who qualify for a medical assistance eligibility
11 extension under s. 49.46 (1) (c), (cg), or (co) when their income increases above the
12 poverty line, except as provided in s. 49.46 (1) (cr).

13 **SECTION 43.** 49.471 (4) (b) 1. of the statutes is repealed.

14 **SECTION 44.** 49.471 (4) (b) 1m. of the statutes is repealed.

15 **SECTION 45.** 49.471 (4) (b) 2. of the statutes is repealed.

16 **SECTION 46.** 49.471 (4) (b) 3. of the statutes is amended to read:

17 49.471 (4) (b) 3. A child whose family income exceeds 200 percent but does not
18 exceed 300 percent of the poverty line. ~~For a child under this subdivision who is an~~

19 3m. An unborn child, whose family income exceeds 200 percent but does not
20 exceed 300 percent of the poverty line, except benefits are limited to prenatal care.

21 **SECTION 47.** 49.471 (4) (b) 4. of the statutes is repealed.

22 **SECTION 48.** 49.471 (4) (c) of the statutes is repealed.

23 **SECTION 49.** 49.471 (4) (e) of the statutes is created to read:

24 49.471 (4) (e) If the department obtains approval from the federal department
25 of health and human services to provide an alternate benchmark plan under sub.

1 (11r), to the extent the federal department of health and human services approves,
2 the department may enroll in the alternate benchmark plan under sub. (11r) any
3 individual whose family income exceeds 100 percent of the poverty line, who is either
4 an adult who is not pregnant or a child, and who applies and is otherwise eligible to
5 receive benefits under this section, except that the department shall enroll a child
6 who has a parent who is enrolled in a plan under this section in the same plan as his
7 or her parent.

8 **SECTION 50.** 49.471 (5) (b) 1. of the statutes is amended to read:

9 49.471 (5) (b) 1. Except as provided in sub. (6) (a) 1., a pregnant woman is
10 eligible for the benefits specified in par. (c) during the period beginning on the day
11 on which a qualified provider determines, on the basis of preliminary information,
12 that the woman's family income does not exceed 300 133 percent of the poverty line
13 and ending on the applicable day specified in subd. 3.

14 **SECTION 51.** 49.471 (5) (b) 2. of the statutes is renumbered 49.471 (5) (b) 2.
15 (intro.) and amended to read:

16 49.471 (5) (b) 2. (intro.) Except as provided in sub. (6) (a) 2., a child who is not
17 an unborn child is eligible for the benefits described in s. 49.46 (2) (a) and (b) during
18 the period beginning on the day on which a qualified entity determines, on the basis
19 of preliminary information, that the child's family income does not exceed 150
20 ~~percent of the poverty line~~ any of the following and ending on the applicable day
21 specified in subd. 3., unless the federal department of health and human services
22 approves the department's request to not extend eligibility to children during this
23 period:

****NOTE: The renumbering of s. 49.471 (5) (b) 2., the creation of s. 49.471 (5) (b) 2. a. to c., and the treatment of s. 49.471 (5) (b) 3. a. are duplicated in two underlying bills but those bills have different effective dates. In this compiled draft, these provisions take

effect on the earlier effective date, which is the general effective date of the budget bill.
Is that okay?

1 **SECTION 52.** 49.471 (5) (b) 2. a. to c. of the statutes are created to read:

2 49.471 (5) (b) 2. a. 150 percent of the poverty line for a child who is 6 years of
3 age or older but has not yet attained the age of 19.

4 b. 185 percent of the poverty line for a child who is one year of age or older but
5 has not yet attained the age of 6.

6 c. 300 percent of the poverty line for a child who is under one year of age.

7 **SECTION 53.** 49.471 (5) (b) 3. a. of the statutes is amended to read:

8 49.471 (5) (b) 3. a. If the woman or child applies for benefits under sub. (4)
9 within the time required under par. (d), the benefits specified in subd. 1. or 2.,
10 whichever is applicable, end on the day on which the department or the county
11 department under s. 46.215, 46.22, or 46.23 determines whether the woman or child
12 is eligible for benefits under sub. (4), except that a child who is not an unborn child
13 is not eligible for benefits described in s. 49.46 (2) (a) and (b) during that time if the
14 federal department of health and human services approves the department's request
15 not to provide those benefits during that time.

16 **SECTION 54.** 49.471 (5) (c) 1. of the statutes is renumbered 49.471 (5) (c) and
17 amended to read:

18 49.471 (5) (c) On behalf of a woman under par. (b) 1. ~~whose family income does~~
19 ~~not exceed 200 percent of the poverty line~~, the department shall audit and pay
20 allowable charges to a provider certified under s. 49.45 (2) (a) 11. only for ambulatory
21 prenatal care services under the benefits described in s. 49.46 (2) (a) and (b).

22 **SECTION 55.** 49.471 (5) (c) 2. of the statutes is repealed.

23 **SECTION 56.** 49.471 (6) (a) 1. of the statutes is amended to read:

1 49.471 (6) (a) 1. ~~Any~~ Except as provided in subd. 4., any pregnant woman,
2 including a pregnant woman under sub. (5) (b) 1., is eligible for medical assistance
3 under this section for any of the 3 months prior to the month of application if she met
4 the eligibility criteria under this section in that month.

5 **SECTION 57.** 49.471 (6) (a) 2. of the statutes is amended to read:

6 49.471 (6) (a) 2. ~~Any~~ Except as provided in subd. 3. or 4., any child who is not
7 an unborn child, including a child under sub. (5) (b) 2., parent, or caretaker relative
8 whose family income is less than 150 percent of the poverty line is eligible for medical
9 assistance under this section for any of the 3 months prior to the month of application
10 if the individual met the eligibility criteria under this section and had a family
11 income of less than 150 percent of the poverty line in that month.

12 **SECTION 58.** 49.471 (6) (a) 3. of the statutes is created to read:

13 49.471 (6) (a) 3. Any individual described in subd. 2. who is not disabled, not
14 elderly, and not pregnant, who is an adult, and whose family income exceeds 133
15 percent of the federal poverty level is not eligible for medical assistance under this
16 section for any of the 3 months before the month of application for medical assistance
17 benefits.

18 **SECTION 59.** 49.471 (6) (a) 4. of the statutes is created to read:

19 49.471 (6) (a) 4. To the extent allowed by the federal department of health and
20 human services, any individual described in subd. 1. or 2. who is not disabled is not
21 eligible for medical assistance under this section for any of the 3 months before the
22 month of application for medical assistance benefits.

23 **SECTION 60.** 49.471 (7) (a) [^] of the statutes is repealed.

24 **SECTION 61.** 49.471 (7) (b) 1. [^] of the statutes is amended to read:

1 49.471 (7) (b) 1. ~~A Eligibility for a pregnant woman whose family income~~
2 ~~exceeds 300 133 percent of the poverty line may become eligible for coverage under~~
3 ~~this section if the difference between the pregnant woman's family income and the~~
4 ~~applicable income limit under sub. (4) (b) is obligated or expended for any member~~
5 ~~of the pregnant woman's family for medical care or any other type of remedial care~~
6 ~~recognized under state law or for personal health insurance premiums or for both.~~
7 ~~Eligibility obtained under this subdivision continues without regard to any change~~
8 ~~in family income for the balance of the pregnancy and to the last day of the month~~
9 ~~in which the 60th day after the last day of the woman's pregnancy falls. Eligibility~~
10 ~~obtained by a pregnant woman under this subdivision extends to all pregnant~~
11 ~~women in the pregnant woman's family is determined under the method described~~
12 ~~in s. 49.47 (4) (c).~~

13 **SECTION 62.** 49.471 (7) (b) 2. of the statutes is amended to read:

14 49.471 (7) (b) 2. A child who is not an unborn child, whose family income
15 exceeds 150 percent of the poverty line, and who is ineligible under this section solely
16 because of sub. (8) (b), or whose family income exceeds 300 percent of the poverty line,
17 may obtain eligibility under this section if the difference between the child's family
18 income and 150 percent of the poverty line is obligated or expended on behalf of the
19 child or any member of the child's family for medical care or any other type of
20 remedial care recognized under state law or for personal health insurance premiums
21 or for both. Eligibility obtained under this subdivision during any 6-month period,
22 as determined by the department, continues for the remainder of the 6-month period
23 and extends to all children in the family.

24 **SECTION 63.** 49.471 (7) (b) 3. of the statutes is amended to read:

1 49.471 (7) (b) 3. ~~For a pregnant woman to obtain eligibility under subd. 1., the~~
2 ~~amount that must be obligated or expended in any 6-month period is equal to the~~
3 ~~sum of the differences in each of those 6 months between the pregnant woman's~~
4 ~~monthly family income and the monthly family income that is 300 percent of the~~
5 ~~poverty line.~~ For a child to obtain eligibility under subd. 2., the amount that must
6 be obligated or expended in any 6-month period is equal to the sum of the differences
7 in each of those 6 months between the child's monthly family income and the monthly
8 family income that is 150 percent of the poverty line.

9 **SECTION 64.** 49.471 (7) (c) (intro.) of the statutes is amended to read:

10 49.471 (7) (c) (intro.) When calculating an individual's family income, the
11 department shall do all of the following, subject to par. (d):

12 **SECTION 65.** 49.471 (7) (c) of the statutes, as affected by 2013 Wisconsin Act
13 (this act), is repealed.

14 **SECTION 66.** 49.471 (7) (d) of the statutes is created to read:

15 49.471 (7) (d) In addition to applying other income counting requirements the
16 department shall do all of the following:

17 1. When calculating the family income of a member of a household who is not
18 disabled, include the income of all adults residing in the home for at least 60
19 consecutive days but exclude the income of a grandparent in a household containing
20 3 generations, unless the grandparent applies for or receives benefits as a parent or
21 caretaker relative under this section.

22 2. When determining the size of a family for purposes of determining income
23 eligibility, exclude from family size an adult whose income is included in a calculation
24 of family income solely under subd. 1.

1 3. Apply this paragraph only to the extent the federal department of health and
2 human services approves the income eligibility calculation methods, if approval is
3 required.

4 **SECTION 67.** 49.471 (7) (e) of the statutes is created to read:

5 49.471 (7) (e) For the purpose of determining family income, the department
6 shall apply the regulations defining a household under 42 CFR 435.603 (f). To
7 determine the family size for a pregnant woman, the department shall include the
8 pregnant woman and the number of babies she is expecting.

9 **SECTION 68.** 49.471 (8) (b) (intro.) of the statutes is amended to read:

10 49.471 (8) (b) (intro.) Except as provided in pars. (c), ~~(cg)~~, ~~(cr)~~, ~~(ct)~~, and (d), an
11 individual whose family income exceeds 150 percent of the poverty line is not eligible
12 for BadgerCare Plus if any of the following applies:

13 **SECTION 69.** 49.471 (8) (cg) of the statutes is created to read:

14 49.471 (8) (cg) An individual who is not disabled and not pregnant, who is over
15 18 years of age, and whose family income exceeds 133 percent of the poverty line is
16 not eligible for BadgerCare Plus if all of the following apply:

17 1. The individual has any of the following:

18 a. Access to individual or family health coverage provided by an employer in
19 which the monthly premium that an employee would pay for an employee-only
20 policy does not exceed 9.5 percent of the family's monthly income.

21 b. Access to individual or family health coverage under the state employee
22 health plan.

23 2. The individual has access to any coverage described in subd. 1. during any
24 of the following times:

1 a. The 12 months before the first day of the month in which an individual
2 applies for and the month in which an individual applies for BadgerCare Plus.

3 b. The 3 months after the last day of the month in which the individual applies
4 for BadgerCare Plus.

5 c. The month including the date of the annual determination of the individual's
6 eligibility for Medical Assistance.

7 3. The individual does not have as a reason for not obtaining health insurance
8 any of the good cause reasons under (d) 2. a. to e.

9 **SECTION 70.** 49.471 (8) (cr) of the statutes is created to read:

10 49.471 (8) (cr) 1. Subject to subd. 4., an individual who is any of the following
11 is not eligible for BadgerCare Plus if the criteria under par. (cg) 1. and 2. apply to that
12 individual:

13 a. An individual who is not disabled and who is a child, or unborn child, of an
14 individual whose family income is at a level determined by the department but no
15 lower than 133 percent of the poverty line.

16 b. A parent or caretaker relative who is not disabled, not pregnant, and an adult
17 and whose family income is at a level determined by the department but no lower
18 than 100 percent of the poverty line.

19 c. An adult, including a pregnant individual, who is not disabled, who is under
20 26 years of age; who is eligible to be covered under coverage a parent receives from
21 an employer; and whose family income is at a level determined by the department
22 but no lower than 100 percent of the poverty line.

23 2. An individual under subd. 1. is not ineligible if any of the good cause reasons
24 described in par. (d) 2. a. to e. is the reason that the individual did not obtain health
25 insurance coverage.

1 3. An individual under subd. 1. c. is not ineligible if any of the following good
2 cause reasons is the reason the individual did not obtain health insurance coverage:

3 a. The parent of the individual is no longer employed by the employer through
4 which the parent was eligible for coverage, and the parent does not have current
5 coverage.

6 b. The employer of the parent of the individual discontinued providing health
7 benefits to all employees.

8 4. The department may apply this paragraph to eligibility determinations for
9 for BadgerCare Plus only if the federal department of health and human services
10 approves of the conditions to make that individual ineligible, if approval is required.

11 **SECTION 71.** 49.471 (8) (ct) of the statutes is created to read:

12 49.471 (8) (ct) 1. If the federal department of health and human services
13 approves the department's request to add private major medical insurance as a type
14 of coverage which causes ineligibility, an individual who is not disabled and not
15 pregnant, who is over 18 years of age, whose family income exceeds 133 percent of
16 the poverty line, and who has coverage provided by private major medical insurance
17 in which the monthly premium does not exceed 9.5 percent of the family's monthly
18 income is not eligible for BadgerCare Plus.

19 2. If the federal department of health and human services approves of the
20 conditions to make that individual ineligible for BadgerCare Plus, an individual who
21 is any of the following is not eligible for BadgerCare Plus if he or she has the major
22 medical insurance coverage described under subd. 1.:

23 a. An individual who is not disabled and who is a child, or unborn child, of an
24 individual whose family income is at a level determined by the department but no
25 lower than 133 percent of the poverty line.

1 b. A parent or caretaker relative who is not disabled, not pregnant, and an adult
2 and whose family income is at a level determined by the department but no lower
3 than 100 percent of the poverty line.

4 **SECTION 72.** 49.471 (8) (d) 1. a. of the statutes is amended to read:

5 49.471 (8) (d) 1. a. A pregnant woman, except as provided in pars. (cr) 1. c. and
6 (fm) 4.

7 **SECTION 73.** 49.471 (8) (d) 1. b. of the statutes is amended to read:

8 49.471 (8) (d) 1. b. A child described in sub. (4) (a) 2. ~~or (b) 2.~~

9 **SECTION 74.** 49.471 (8) (d) 1. g. of the statutes is created to read:

10 49.471 (8) (d) 1. g. An adult who is disabled.

11 **SECTION 75.** 49.471 (8) (d) 2. dg. of the statutes is created to read:

12 49.471 (8) (d) 2. dg. The insurance is owned by someone not residing with the
13 family and continuation of the coverage is beyond the family's control.

14 **SECTION 76.** 49.471 (8) (d) 2. dr. of the statutes is created to read:

15 49.471 (8) (d) 2. dr. The insurance only covers services provided in a service
16 area that is beyond a reasonable driving distance.

17 **SECTION 77.** 49.471 (8) (e) of the statutes is repealed.

18 **SECTION 78.** 49.471 (8) (f) of the statutes is amended to read:

19 49.471 (8) (f) If an individual with a family income that exceeds 150 percent
20 of the poverty line had the health insurance coverage specified in par. (b) 1. but no
21 longer has the coverage, or if an individual who is an unborn child or an unborn
22 child's mother, regardless of family income, had health insurance coverage but no
23 longer has the coverage, ~~or if a pregnant woman specified in par. (e) has health~~
24 ~~insurance coverage and does not maintain the coverage, the individual or pregnant~~
25 ~~woman~~ is not eligible for BadgerCare Plus for the 3 calendar months following the

1 month in which the insurance coverage ended without a good cause reason specified
2 in par. (g).

3 **SECTION 79.** 49.471 (8) (fm) of the statutes is created to read:

4 49.471 (8) (fm) If an individual who is one of the following individuals had the
5 health insurance coverage specified in par. (cg) 1. or (ct) but no longer has the
6 coverage, the individual is not eligible for BadgerCare Plus for the 3 calendar months
7 following the month in which the insurance coverage ended without a good cause
8 reason specified in par. (g):

9 1. An individual who is not disabled and not pregnant, who is over 18 years of
10 age, and whose family income exceeds 133 percent of the poverty line.

11 2. If the federal department of health and human services approves of the
12 department's request to make such an individual ineligible, an individual who is not
13 disabled and who is a child of an individual whose family income is at a level
14 determined by the department but no lower than 133 percent of the poverty line.

15 3. If the federal department of health and human services approves of the
16 department's request to make such an individual ineligible, a parent or caretaker
17 relative who is not disabled, not pregnant, and an adult and whose family income is
18 at a level determined by the department but no lower than 100 percent of the poverty
19 line.

20 4. If the federal department of health and human services approves of the
21 department's request to make such an individual ineligible, an adult, including a
22 pregnant individual, who is not disabled, who is under 26 years of age; who is eligible
23 to be covered under coverage a parent receives from an employer; and whose family
24 income is at a level determined by the department but no lower than 100 percent of
25 the poverty line.

1 **SECTION 80.** 49.471 (8) (g) (intro.), 1., 2., 3., 4. and 5. of the statutes are amended
2 to read:

3 49.471 (8) (g) (intro.) Any of the following is a good cause reason for purposes
4 of par. (f) and (fm):

5 1. The individual ~~or pregnant woman~~ was covered by a group health plan that
6 was provided by a subscriber through his or her employer, and the subscriber's
7 employment ended for a reason other than voluntary termination, unless the
8 voluntary termination was a result of the incapacitation of the subscriber or because
9 of an immediate family member's health condition.

10 2. The individual ~~or pregnant woman~~ was covered by a group health plan that
11 was provided by a subscriber through his or her employer, the subscriber changed
12 employers, and the new employer does not offer health insurance coverage.

13 3. The individual ~~or pregnant woman~~ was covered by a group health plan that
14 was provided by a subscriber through his or her employer, and the subscriber's
15 employer discontinued health plan coverage for all employees.

16 4. The ~~pregnant woman's~~ individual's coverage was continuation coverage and
17 the continuation coverage was exhausted in accordance with 29 CFR 2590.701-2 (4).

18 5. The individual's ~~or pregnant woman's~~ coverage terminated due to the death
19 or change in marital status of the subscriber.

20 **SECTION 81.** 49.471 (8) (g) 5g. of the statutes is created to read:

21 49.471 (8) (g) 5g. The insurance coverage is owned by someone not residing
22 with the family and continuation of the coverage is beyond the family's control.

23 **SECTION 82.** 49.471 (8) (g) 5r. of the statutes is created to read:

24 49.471 (8) (g) 5r. The insurance coverage only covers services provided in a
25 service area that is beyond a reasonable driving distance.

1 **SECTION 83.** 49.471 (9) (a) 2. b. of the statutes is amended to read:

2 49.471 (9) (a) 2. b. A child described in sub. (4) (a) 2. ~~or (b) 2.~~

3 **SECTION 84.** 49.471 (10) (b) 1. of the statutes is amended to read:

4 49.471 (10) (b) 1. Except as provided in ~~subd.~~ subds. 1m. and 4., a recipient who
5 is an adult, who is not a pregnant woman, and whose family income is greater than
6 150 percent but not greater than 200 percent of the poverty line shall pay a premium
7 for coverage under BadgerCare Plus that does not exceed 5 percent of his or her
8 family income. If the recipient has self-employment income and is eligible under
9 sub. (4) (b) 4., the premium may not exceed 5 percent of family income calculated
10 before depreciation was deducted.

11 **SECTION 85.** 49.471 (10) (b) 1. of the statutes, as affected by 2013 Wisconsin Act
12 (this act), is amended to read:

13 49.471 (10) (b) 1. Except as provided in subds. 1m. and 4., a recipient who is
14 an adult, who is not a pregnant woman, and whose family income is greater than 150
15 percent but not greater than 200 percent of the poverty line shall pay a premium for
16 coverage under BadgerCare Plus that does not exceed 5 percent of his or her family
17 income. ~~If the recipient has self-employment income and is eligible under sub. (4)~~
18 ~~(b) 4., the premium may not exceed 5 percent of family income calculated before~~
19 ~~depreciation was deducted.~~

20 **SECTION 86.** 49.471 (10) (b) 1m. of the statutes is created to read:

21 49.471 (10) (b) 1m. Except as provided in subd. 4., a recipient who is an adult
22 parent or adult caretaker relative; who is not disabled, pregnant, or American
23 Indian; and whose family income exceeds 133 percent of the federal poverty line shall
24 pay a premium for coverage under BadgerCare Plus in an amount determined by the
25 department that is based on a formula in which costs decrease for those with lower

1 family incomes and that is no less than 3 percent of family income but no greater than
2 9.5 percent of family income. If the recipient has self-employment income and is
3 eligible under sub. (4) (b) 4., the premium may not exceed 5 percent of family income
4 calculated before depreciation was deducted.

5 **SECTION 87.** 49.471 (10) (b) 1m. of the statutes, as affected by 2013 Wisconsin
6 Act (this act), is repealed.

****NOTE: After January 1, 2014, there will be no parent or caretaker relatives eligible for BadgerCare Plus whose income exceeds 133 percent of the federal poverty line. Therefore, I have repealed this provision effective January 1, 2014. Is that okay?

7 **SECTION 88.** 49.471 (10) (b) 2. of the statutes is amended to read:

8 49.471 (10) (b) 2. Except as provided in subds. ~~3.~~ 3m. and 4., a recipient who
9 is a child whose family income is greater than 200 percent of the poverty line shall
10 pay a premium for coverage of the benefits described in sub. (11) that does not exceed
11 the full per member per month cost of coverage for a child with a family income of
12 300 percent of the poverty line.

13 **SECTION 89.** 49.471 (10) (b) 3. of the statutes is repealed.

14 **SECTION 90.** 49.471 (10) (b) 3m. of the statutes is created to read:

15 49.471 (10) (b) 3m. A recipient who is a child, who is not disabled, and whose
16 family income is at a level determined by the department that is at least 150 percent
17 of the poverty line shall pay a premium in an amount determined by the department.
18 The department may apply this subdivision only to the extent the federal
19 department of health and human services approves applying a premium to those
20 individuals, if approval is required.

21 **SECTION 91.** 49.471 (10) (b) 4. (intro.) of the statutes is amended to read:

22 49.471 (10) (b) 4. (intro.) None of the following shall pay a premium, except as
23 provided in subd. 3m.:

Insert 34-3

1 SECTION 92. 49.471 (10) (b) 4. b. of the statutes is amended to read:
2 49.471 (10) (b) 4. b. A child who is eligible under sub. (4) (a) 2. ~~or (b) 2.~~

3 SECTION 93. 49.471 (10) (b) 5. of the statutes is amended to read:

4 ~~49.471 (10) (b) 5. If a recipient who is required to pay a premium under this
5 paragraph or under sub. (2m) ~~or (4) (e)~~ either does not pay a premium when due or
6 requests that his or her coverage under this section be terminated, the recipient's
7 coverage terminates and the recipient is not eligible for BadgerCare Plus for 6
8 consecutive calendar months following the date on which the recipient's coverage
9 terminated, except for any month during that 6-month period when the recipient's
10 family income does not exceed 150 percent of the poverty line.~~

11 SECTION 94. 49.471 (10) (b) 5. of the statutes, as affected by 2013 Wisconsin Act
12 (this act), is amended to read:

13 49.471 (10) (b) 5. If a recipient who is required to pay a premium under this
14 paragraph or under sub. (2m) ~~or (4) (e)~~ either does not pay a premium when due or
15 requests that his or her coverage under this section be terminated, the recipient's
16 coverage terminates. If the recipient is an adult, the recipient is not eligible for
17 BadgerCare Plus for 12 consecutive calendar months following the date on which the
18 recipient's coverage terminated, except for any month during that 12-month period
19 when the recipient's family income does not exceed 133 percent of the poverty line.
20 If the recipient is a child, the recipient is not eligible for BadgerCare Plus for 6
21 consecutive calendar months, or 12 consecutive calendar months if the federal
22 department of health and human services approves, following the date on which the
23 recipient's coverage terminated, except for any month during that period when the
24 recipient's family income does not exceed 150 percent of the poverty line.

25 SECTION 95. 49.471 (11) (intro.) of the statutes is amended to read:

1 49.471 (11) BENCHMARK PLAN BENEFITS AND COPAYMENTS. (intro.) **Recipients**
2 Except as provided in sub. (11r) and s. 49.45 (24j), recipients who are not eligible for
3 the benefits described in s. 49.46 (2) (a) and (b) shall have coverage of the following
4 benefits and pay the following copayments:

5 **SECTION 96.** 49.471 (11) (a) of the statutes is amended to read:

6 49.471 (11) (a) Subject to sub. (6) (k), prescription drugs bearing only a generic
7 name, as defined in s. 450.12 (1) (b), with a copayment of no more than \$5 per
8 prescription, ~~and subject to the Badger Rx Gold program discounts.~~

9 **SECTION 97.** 49.471 (11r) of the statutes is created to read:

10 49.471 (11r) ALTERNATE BENCHMARK PLAN BENEFITS AND COPAYMENTS. (a) If the
11 department chooses to provide the alternate benchmark plan under this subsection,
12 the department shall provide to the recipients described under sub. (4) (e) coverage
13 for benefits similar to those in a commercial, major medical insurance policy.

14 (b) The department may charge copayments to recipients receiving coverage
15 under the alternate benchmark plan under this subsection that are higher than
16 copayments charged to recipients receiving coverage under the standard plan under
17 s. 49.46 (2). The department may not charge to a recipient of coverage under the
18 alternate benchmark plan under this subsection whose family income is at or below
19 150 percent of the poverty line a copayment that exceeds 5 percent of the individual's
20 family income for all members of the family.

21 (c) 1. The department may only provide coverage under the alternate
22 benchmark plan under this subsection to the extent the alternate benchmark plan
23 is approved by the federal department of health and human services.

24 2. If the department is providing coverage under the alternate benchmark plan
25 under this subsection the department may discontinue coverage under the

1 benchmark plan under sub. (11) for those individuals eligible for the alternate
2 benchmark plan under this subsection.

3 3. The department may provide services to individuals enrolled in the alternate
4 benchmark plan under this subsection through a medical home initiative similar to
5 an initiative described under s. 49.45 (24j).

6 SECTION 98. 49.67 of the statutes is repealed.

7 SECTION 99. 49.84 (6) (c) 1. d. of the statutes is amended to read:

8 49.84 (6) (c) 1. d. A child who is receiving medical assistance under s. 49.46 (1)
9 (a) 13., 49.47 (4) (am) 3., or 49.471 (4) (a) 2. ~~or (b) 2.~~ or an unborn child receiving
10 prenatal care under s. 49.471.

11 SECTION 100. 146.45 of the statutes is repealed.

12 SECTION 101. 227.01 (13) (ur) of the statutes is repealed.

13 SECTION 102. 227.42 (7) of the statutes is repealed.

14 SECTION 9318. Initial applicability; Health Services.

15 (1) MODIFIED ADJUSTED GROSS INCOME. The treatment of sections 49.46 (1) (a) 15.,
16 49.47 (4) (a) 1., 49.471 (1) (f) and (7) (a), (b) 1. and 3., (c), and (e) of the statutes first
17 applies to redeterminations of eligibility for recipients of Medical Assistance on the
18 later of the following:

19 (a) April 1, 2014.

20 (b) The actual date of the redetermination for renewal eligibility for Medical
21 Assistance.

*of the statutes
and the repeal of
section 49.471(7)(c)
of the statutes*

of

****NOTE: We cannot draft two effective dates for the same provision, and if it appeared that way from a previous draft, I apologize for some errors in the effective date provision. In this draft, the effective date of the MAGI provisions, along with all the other provisions from the PPACA drafts, is January 1, 2014, generally. I believe that this initial applicability captures the intent of delaying the applicability for existing Medical Assistance recipients while allowing DHS to apply the MAGI provisions to new applicants on January 1, 2014.

1

INSERT ANALYSIS

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core) programs. Under current law, BC+ provides health and medical services to eligible recipients and has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Under current law, under certain circumstances, DHS may propose a policy that would add to or change current law regarding the MA program. Before implementing a policy that conflicts with a state statute, DHS must submit the proposed change to the Joint Committee on Finance and then submit the change to the federal Department of Health and Human Services (federal DHHS) for approval if necessary. Currently, DHS has proposed changes that have been submitted to the federal DHHS for approval. Some of these changes pertain to BC+ and BC+ Core and may have been implemented following approval by the federal government.

Under current law, family income is the total gross earned and unearned income received by all members of a family. Beginning on January 1, 2014, under the bill, for purposes of determining eligibility for BC+ and BC+ Core, family income has the meaning given for household income under a federal regulation, which uses an income calculation based on modified adjusted gross income. The bill also requires, beginning on January 1, 2014, DHS to apply the definition of household in federal regulations. The bill also makes other changes to calculation of income and family size for BC+ and BC+ Core on January 1, 2014, or sooner.

Under current law, unless DHS has a policy that conflicts with current state law eligibility requirements, certain individuals are eligible for benefits under the BC+ standard plan. Beginning in January 1, 2014, under the bill, a pregnant woman must have an income that does not exceed 133 percent of the FPL to be eligible for BC+ standard plan benefits. Also, beginning on January 1, 2014, the bill reduces the income eligibility level for the BC+ standard plan for parents and caretaker relatives from not more than 200 percent of the FPL to not more than 100 percent of the FPL before a five percent income disregard is applied. The bill defines, beginning on January 1, 2014, for purposes of eligibility of a parent or caretaker relative, a "dependent child."

Under current law, certain children and pregnant women are presumptively eligible for benefits under the BC+ standard plan, meaning that they are eligible for benefits beginning the day on which a qualified entity determines, based on preliminary information, income eligibility for BC+. The bill eliminates, if the federal DHHS approves, presumptive eligibility for children. Beginning January 1, 2014, the bill also limits presumptive eligibility for pregnant women to those whose family income, based on preliminary information, does not exceed 133 percent of the FPL.

move

Under current law, certain individuals are retroactively eligible for BC+ benefits for any of the three months before the month of application for BC+. The bill eliminates retroactive eligibility for adults who are not pregnant, not disabled, and not elderly and whose income exceeds 133 percent of the FPL. If the federal DHHS approves, the bill eliminates retroactive eligibility for all individuals who are not disabled regardless of their age, pregnancy status, or income level.

The bill retains the current law ineligibility provisions for certain individuals with health insurance coverage or access to coverage during certain times and adds, with certain limitations, individuals to the types of individuals for whom access to coverage results in ineligibility and specifies the types of insurance that result in ineligibility. Under the bill, certain individuals are ineligible for BC+ if they have private major medical insurance with a certain premium. The bill also adds certain individuals to those who are ineligible for BC+ for three months for not maintaining certain types of health coverage.

Under current law, certain individuals are eligible for benefits under the BC+ Benchmark plan. Beginning on January 1, 2014, the bill eliminates eligibility for the BC+ Benchmark plan for all of the following individuals: pregnant women whose family income exceeds 200 percent but does not exceed 300 percent of the FPL and children under one year of age of those women; certain other pregnant women; and parents or caretaker relatives whose family income includes self-employment income and does not exceed 200 percent of the FPL under a certain calculation. The bill, beginning on January 1, 2014, specifies that an unborn child whose family income exceeds 200 percent of the FPL but does not exceed 300 percent of the FPL is eligible for BC+ Benchmark but only for prenatal care benefits. Certain individuals, under current law, may pay the full member per month cost of coverage to receive benefits under the Benchmark plan. On January 1, 2014, The bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits.

If the federal DHHS allows, under the bill, DHS may provide an alternate Benchmark plan to adult individuals who are not pregnant, whose family incomes exceed 100 percent of the FPL, and who are otherwise eligible for BC+. The alternate Benchmark plan, if DHS provides the plan, provides coverage for benefits similar to those in a commercial, major medical insurance policy. DHS may charge higher copayments for the alternate Benchmark plan than are charged for the standard plan with certain limitations.

The bill allows DHS to administer medical home initiatives as service delivery mechanisms to provide and coordinate care for individuals who are eligible for services under a fee-for-service model of Medical Assistance, including BC+ and BC+ Core.

Current law requires certain individuals to pay premiums for BC+ standard plan and the Benchmark plan. The bill requires an adult parent or adult caretaker who is not pregnant, disabled, or American Indian and whose family income exceeds 133 percent of the FPL and, if the federal DHHS approves, a child who is not disabled and whose family income is at a level determined by DHS but at least 150 percent of the FPL, to pay a premium for BC+.

Under current law, if an individual who is required to pay a premium does not pay or requests termination of coverage under BC+, the coverage under BC+ is terminated. The former BC+ recipient is then ineligible for coverage for six months except for any month in which the former recipient's family income does not exceed 150 percent of the FPL. The bill changes the ineligibility period for an adult to 12 months except for any month in which the former recipient's family income does not exceed 133 percent of the FPL. For a child, the bill retains the six month ineligibility period except for any month in which the child's family income does not exceed 150 percent of the FPL, however, if the federal DHHS approves, the ineligibility period becomes 12 months.

*

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to eligible individuals. Adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+, are eligible for benefits under BC+ Core. The bill requires certain childless adults with a family income exceeding 133 percent of the FPL to pay a premium for BC+ Core benefits. Beginning January 1, 2014, the bill allows only those individuals whose family incomes do not exceed 100 percent of the FPL, before a five percent income disregard is applied, to be eligible for BC+ Core.

5

Certain individuals, under current law, are eligible for transitional Medical Assistance because of becoming ineligible for another public assistance program. The bill eliminates transitional Medical Assistance benefits, if the federal DHHS approves.

The bill allows DHS to enroll a child who is receiving services through the early intervention program in a special plan, if the federal DHHS approves.

Under current law, DHS is required to develop a purchasing pool, known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. Current law allows DHS to contract with an entity to operate the purchasing pool, which is not an MA program. The bill eliminates the purchasing pool, Badger Rx Gold.

(END INSERT ANALYSIS)

1 INSERT 34-3 (PLEASE DOUBLE CHECK FOR CORRECT INSERTION
2 POINT)

3 49.471 (10) (b) 5. If a recipient who is required to pay a premium under this
4 paragraph or under sub. (2m) or (4) (c) either does not pay a premium when due or
5 requests that his or her coverage under this section be terminated, the recipient's
6 coverage terminates and, If the recipient is an adult, the recipient is not eligible for
7 BadgerCare Plus for 6 12 consecutive calendar months following the date on which
8 the recipient's coverage terminated, except for any month during that ~~6-month~~

1 12-month period when the recipient's family income does not exceed ~~150~~ 133 percent
2 of the poverty line. If the recipient is a child, the recipient is not eligible for
3 BadgerCare Plus for 6 consecutive calendar months, or 12 consecutive calendar
4 months if the federal department of health and human services approves, following
5 the date on which the recipient's coverage terminated, except for any month during
6 that period when the recipient's family income does not exceed 150 percent of the
7 poverty line.

(END INSERT 34-3)

Barman, Mike

From: Hanaman, Cathlene
Sent: Monday, February 18, 2013 10:45 AM
To: Barman, Mike
Subject: Mini compile in compile

Mike: -1485 is in the budget. It is a compile consisting of the following LRB numbers:
-0479, 1243, -1248 (BB0218, BB0403 and BB0440)